

## The complaint

Mr H complains a payment he made from his Bank of Ireland (UK) Plc (BOI) account was delayed. Mr H therefore had to make other arrangements, resulting in two payments for the same service going to a construction company, leaving Mr H out of pocket by £1,000. Mr H also complains about the customer service he received from BOI.

## What happened

Mr H explained he made a payment of £1,000 from his BOI account to a construction company as part-payment for emergency work due to start a few days later. Mr H explained he received a call from BOI the day the work was due to complete, it explained the funds had been held up by an intermediary bank. Mr H said he explained BOI needed to ensure the payment went through by 4pm or, if that was not possible, ensure the funds were returned to him. He also asked for a call to let him know what was happening before 4pm.

Mr H explained he didn't receive a phone call back and the funds did not reach the construction company by 4pm, so he was forced to make other arrangements to fund the construction work which had been completed that afternoon. Mr H said he understood, from the numerous calls he had in the days afterwards, that the initial funds would eventually be returned to him. Mr H has said these calls were not handled in a '*competent manner*'. Mr H said other payments to the construction company went through without issue.

Mr H has said he has lost the £1,000 he paid to the construction company, with it stating it has not received the payment and BOI stating it can't recover the payment.

BOI explained the payment had been subject to compliance screening by a third-party intermediary bank. It said it asked Mr H to supply information regarding the transfer and this was supplied to the intermediary bank. It confirmed Mr H had asked for the transfer to be cancelled but said it had explained to Mr H it couldn't guarantee this would happen.

BOI said it did try to recall the £1,000 but was unsuccessful and the funds remained with the beneficiary. BOI explained it had carried out the payment as Mr H had instructed, had not guaranteed the transfer could be recalled and had therefore not made an error.

BOI offered £200 compensation recognising the delays and poor service Mr H received, but did not agree to refunding the £1,000. BOI cited its terms and conditions which explain it can't cancel transfers; '*... if the payment has already left your account, you will not be able to cancel it.*' It also referenced its terms and conditions which explained it couldn't be held responsible for delays in payments outside of its control, which included delays with intermediary banks.

Our investigator thought the offer of £200 for the inconvenience caused was fair. They accepted some of the service provided by BOI could have been better, but accepted payments can be stopped for security checks. They also said the evidence suggested the construction company had received the payment twice and therefore Mr H should look to recover his loss from this company.

Mr H disagreed with our investigator's recommendation explaining he didn't believe BOI had tried to recover the funds and rejected the £200 compensation offered. He also thought it was unlikely he would be able to recover the funds from the construction company and that the transfer had taken longer than it should have.

As Mr H disagreed with our investigator's recommendation, his complaint has been passed to me to make a final decision.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate how strongly Mr H feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

The starting position in law is a bank is expected to process payments and withdrawals a customer authorises it to make, in accordance with the terms and conditions of the customer's account. I have taken this into account when deciding what is fair and reasonable in this case.

Having said that, there are also obligations on banks to detect and prevent certain transactions, banks should fairly and reasonably:

- have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams,
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer,
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

This means that, there are circumstances where a bank should fairly and reasonably take additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm.

Banks have to strike a difficult balance between how to detect unusual activity on an account and to also not interfere with the vast majority of perfectly normal transactions which are not fraudulent or related to scams.

I am satisfied from the evidence I have seen the intermediary bank was undertaking such a check which delayed this transaction. I am also satisfied it was entitled to do this for the reasons I have given above. The evidence I have seen shows Mr H instructed BOI to carry out this transaction, which it did.

I have listened to the relevant calls Mr H had with BOI. I am satisfied BOI explained the processes and also explained it couldn't guarantee the payment would be made by 4pm as Mr R had requested during the first call on 4 October. BOI also explained, as the payment had left Mr H's account, it was limited in what it could do.

Mr H explained if the payment didn't reach the beneficiaries account by 4pm he would have to pay another £1,000, explaining the contractor would not accept the bank had delayed the funds. Mr H also expressed during this call he already didn't think he would recover the funds from the contractor if he paid him a further £1,000 stating, *'no way this guy will give it me back.'*

Some of the issues appear to be with the contractor refusing to accept Mr H had made the transfer, despite showing them evidence, and the contractor still demanding immediate payment. I can see Mr H said during the call with BOI the contractor had agreed they would return the £1,000 if it they received it later. I also note this was part of a much larger payment for the work which had already been successfully paid.

Whilst I empathise with Mr H's circumstances, as he appears to have been under unreasonable pressure to ensure the £1,000 was with the contractor by the end of the day, the evidence shows he chose to make the additional payment with some degree of concern he wouldn't be able to recover the funds later.

Importantly, I am persuaded Mr H chose to make this additional payment having been advised by BOI more than once there was no guarantee BOI could recover the funds from the initial transfer later. I am satisfied the circumstances were explained to him, and for these reasons I am not persuaded it is reasonable or fair to hold BOI liable for this payment.

During the second call on 4 October, after Mr H had made the second payment, BOI explained the process for undertaking a recall, which Mr H explained he wanted to try. Again, no guarantees were given this process would be successful. BOI has provided our service with evidence it did attempt to recall the payment, but this was unsuccessful.

Having considered the later calls, I accept there was some poor customer service. Mr H didn't receive the call back he requested, despite explaining on this first call how important this was and the call handler agreeing to call him. I think he could have been provided with better service here and afterwards, where Mr H's expectations could have arguably been managed better.

Whilst I do not uphold the substantive complaint regarding the £1,000, I do uphold Mr H's complaint regarding customer service for the reasons I have outlined. Having considered this, I think £200 offered for the distress and inconvenience this caused is fair and reasonable and in line with what our service would expect in the circumstances.

I appreciate this will be disappointing for Mr H, and I was very sorry to hear of the difficult situation he found himself in with the contractor which I can see has obviously been distressing for him.

### **My final decision**

For the reasons I have given, my final decision is I require Bank of Ireland (UK) Plc to pay Mr H £200 for the distress and inconvenience he suffered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 April 2025.

Gareth Jones  
**Ombudsman**